

SENATE BILL 1175
By Bryson

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following language as a new subsection (10):

(10) A credit shall be allowed against the tax imposed by this part in an amount equal to fifteen percent (15%) of the amount spent by the taxpayer during any income year directly on research and experimental expenditures, as defined in Section 174 of the Internal Revenue Code or any corresponding internal revenue code of the United States, as amended, which are conducted in this state. A credit or any portion of a credit that is allowed under this subsection with respect to any income year commencing on or after January 1, 2005, but is not used by a taxpayer because the amount of the credit exceeds the tax due and owing by the taxpayer shall be carried forward to each of the successive income years until such credit, or applicable portion of the credit, is fully taken. In no case shall a credit, or any portion of a credit, that is not used be carried forward for a period of more than fifteen (15) years.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.